

transaction at issue, as well as certain family members and 35-percent owned entities. The term "organization manager" means any officer, director, or trustee of a public charity or social welfare organization (or any individual having powers or responsibilities similar to those of officers, directors, or trustees).

E. The bill would provide for a two-tiered penalty excise tax structure, similar to the excess tax penalty provisions applicable under present law to prohibited transactions by private foundations and political expenditures by public charities. Under the bill, an initial tax equal to 25 percent of the amount involved would be imposed on a disqualified person who participates in a self-dealing transaction. Organization managers who participate in self-dealing transactions, knowing that the transaction constitutes self-dealing, would be subject to a tax equal to 10 percent of the amount involved (subject to a maximum amount of tax of \$10,000), unless such participation was not willful and was due to reasonable cause.

F. Additionally, second-tier taxes would apply under the bill if the self-dealing transaction is not "corrected," meaning undoing the transaction to the extent possible, but at least insuring that the organization is in a financial position not worse than that in which it would be if the disqualified person were dealing under the highest fiduciary standards. If a self-dealing transaction is not corrected within a specified time period (generally ending 90 days after the IRS mails a notice of deficiency), then the disqualified person would be subject to a tax equal to 200 percent of the amount involved. Any organization manager refusing to agree to correction would be subject to tax equal to 50 percent of the amount involved (subject to a maximum amount of tax of \$10,000). Under the bill, if more than one person is liable for a first-tier or second-tier tax with respect to any one self-dealing transaction, then all such persons would be jointly and severally liable for the tax.

II. REPORTING OF CERTAIN EXCISE TAXES

A. Specified organizations would be required to report respective amounts of taxes paid by the organization concerning lobbying and political expenditures during the taxable year as specified in the bill.

III. EXEMPT ORGANIZATIONS REQUIRED TO PROVIDE COPY OF RETURN

A. During the three-year period beginning on the filing date, applicable organizations must make available for inspection during regular business hours a copy of their annual return. If the request is made in person, the return must be provided immediately. If the request is made in some other fashion, the organization must produce the document within 30 days.

B. Advertisements or solicitations used by applicable organizations must contain an express statement that the organization's annual return is available upon request. Penalties for failing to disclose this information are doubled.

IV. CERTAIN ORGANIZATIONS REQUIRED TO DISCLOSE NONEXEMPT STATUS

A. If the organization advertises or solicits as a nonprofit organization and the organization is not designated by the IRS as tax exempt, the advertisement or solicitation must contain an express statement indicating such.

B. If the organization fails to meet the disclosure requirement with respect to advertising or solicitation, the organization would be required to pay \$1,000 for each day that it fails to disclose (not to exceed \$10,000 per year unless the organization intentionally disregards the requirement).

V. INCREASE IN PENALTIES ON EXEMPT ORGANIZATIONS FOR FAILURE TO FILE COMPLETE AND TIMELY ANNUAL RETURNS

A. Penalties for organizations that fail to file their return or who file incomplete returns is increased.

EUROPEAN WHEAT GLUTEN EXPORTS TO THE UNITED STATES

HON. SAM BROWNBACK

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. BROWNBACK. Mr. Speaker, our American wheat farmers and producers of vital wheat gluten are in dire danger of falling victim to what could become a virtual monopoly of European wheat gluten exports to the U.S.

Currently, because of existing European tariff and subsidy programs, which are being used unfairly, increasing imports of vital wheat gluten are being dumped in the U.S. at prices below the cost of production. USDA reports that European wheat gluten production will double in the next several years. In combination with predatory pricing, this could destroy our gluten producers. Wheat gluten supplies will become so large and prices so low that the effect would be the inevitable erosion of the U.S. high protein wheat industry.

Mr. Speaker, this must not be allowed to happen.

Today I call on the Clinton administration to help stop this unfair practice that could prove devastating to American farmers. I call on Ambassador Kantor and Secretary Glickman to take action now to negotiate a resolution to this issue.

IN RECOGNITION OF MOBILE CONSTRUCTION BATTALION 2

HON. JAMES V. HANSEN

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 12, 1995

Mr. HANSEN. Mr. Speaker, and colleagues, I rise today to pay tribute to a special group of America's unsung heroes—the U.S. Navy Seabees. In particular, I want to tell you the story of one such group of these heroes and the tremendous service they provided our Nation over 40 years ago.

The story of USN Mobile Construction Battalion 2, stationed at Port Hueneme and Cubi Point, began in the spring of 1952. Commanding officer Comdr. Charles C. Compton, and the 12 officers and 464 men of MCB 2, sailed for the Philippines aboard the U.S.S. *Menard* [APA-201] on June 9. The job of the battalion, and their colleagues of MCB's 3 and 5, was to carve a new naval air facility out of the hilly peninsula, called Cubi Point, adjacent to the Subic Bay Naval Station.

Over the next years, the men of MCB 2, clad in traditional Seabee greens or rubberized suits to fend off the relentless summer rains, constructed one of our Nation's most important strategic airfields. The battalion completed several enormous projects including the removal of the top 90 feet of Mount Muritan, a rock mountain which blocked the approach to the future airfield. Major construction projects, including a large and remote ammunition storage facility, a tank farm built on top of a swamp, a new water system, and the Camayan Point-Cubi Point road, tested the skills, dedication, and versatility of the Seabees. In all, millions of cubic yards of earth were moved, reservoirs providing over 2.5 million gallons of water were built, and a new naval air facility was born.

The facilities these unsung heroes built would serve our Nation and her allies well for the next 40 years. The story of MCB 2 and Cubi Point is repeated each year by Seabee units around the world. Never knowing what they would be doing next, the men of Mobile Construction Battalion 2 remained confident in their ability to go anywhere at anytime and build anything asked of them, for they were the Navy's "Fighting Seabees."